

CONGRESSMAN SHERWOOD BOEHLERT (R-NY)
MARK-UP STATEMENT AGAINST COSTELLO FUTUREGEN AMENDMENT
June 27, 2006

I support the FutureGen program, and I think we have good language in this bill – language negotiated with the gentleman from Illinois – to get this project moving forward in the appropriate way.

But our fundamental goal in Congress has to be to protect the taxpayer. And I don't think adding this language will help us do that.

It may or may not make sense to offer government indemnification for the carbon sequestration aspects of this project. One would have to see studies of the legal risks from that activity, the availability of private insurance, etc. We haven't done our homework on this issue, so it's premature to decide on it.

Moreover, the Department of Energy (DOE) and industry have not yet tried to negotiate an indemnification agreement. That will hardly be a negotiation between equally matched parties if Congress has already weighed in on one side.

If DOE comes to us in the future with an indemnification proposal and a rationale for it, I'll be happy to listen to them. But this issue is simply not ripe yet.

Moreover, the industry does not say it must have this language now. Other advocates for the coal industry are no longer pushing for this provision. So, again, this issue is not ripe for Congressional action.

The same, and more, can be said to argue against the termination proposal. Industry isn't claiming it has to have this now, negotiations over the issue haven't even begun, we haven't examined the issue's implications, the time is not ripe.

But in addition to those arguments, this language is just a terrible deal for taxpayers. If industry pulls out of the project, the government gets stuck with a white elephant, but if the government pulls out of the project, industry gets back all of its greenbacks. It's a kind of "heads I win, tails you lose" deal that industry is offering the government.

So if we ever decide we need termination language, it shouldn't be this language.

The bill has all the language needed to get FutureGen off the ground in an effective matter. These other matters should wait until the parties can negotiate, and we can think through what they come up with.

I urge the defeat of this amendment.